

PROCEDURE REFERENCE:

RD Instruction 1951-C

PURPOSE:

Used to notify delinquent borrowers of potential referral by Kansas City Finance Office/Saint Louis (KCFO/STL) to Treasury Offset Program (TOP) for offset by, Treasury for Cross-Servicing and referral to commercial credit bureaus.

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**NOTIFICATION OF INTENT TO REFER ACCOUNT TO TREASURY OFFSET PROGRAM (TOP)**

(Use Agency Letterhead)

Sent by First Class Mail

Dear \_\_\_\_\_:

Our records indicate that you are more than 90 days past due on debt owed to the U.S. Department of Agriculture, Farm Service Agency (FSA). On Insert Date), the debt included the delinquent loans listed on the back of this letter. You have 60 days to resolve this delinquent debt.

The following options are available to you for settling this debt:

- Pay the delinquent debt outstanding on your loans at your local servicing office not later than Insert Date).
- Make settlement arrangements with your local servicing office. If immediate payment would create a serious financial hardship, you may request consideration of a written repayment agreement with FSA. This request must be submitted in writing before Insert Date), and must state the specific repayment terms desired.
- To verify that immediate repayment of the delinquency would cause serious financial hardship, signed financial statements must be provided with any settlement or installment request. The financial statements must list all income and expenses and also include a balance sheet listing all assets and liabilities.
- Inform your servicing office of any bankruptcy proceedings. Debtors who have filed for bankruptcy, and for whom an automatic stay is in effect, may not be subject to collection actions. If this provision applies, please submit a copy of the bankruptcy petition to your local servicing office by Insert Date).

If the delinquent debt is not involved in a bankruptcy proceeding and is not paid in full or settled by (Insert Date), the United States Treasury Department will be notified to collect the delinquent amount by offset from the following Federal government payments due you if applicable:

- Income tax refunds;
- Federal salary pay, including military pay;
- Federal retirement, including military retirement pay;
- Contract or vendor payments;
- Certain Federal benefit payments, such as Social Security, Railroad Retirement (other than tier 2), and Black Lung (part B) benefits, including certain loans to you, that are not exempt from offset.

The debt may also be collected through administrative offset wage garnishment.

After all security has been liquidated and if debt remains which has not been settled with the Agency, the debt may also be referred to Treasury and a Treasury-designated collection agency.

The amount referred for collection will include the delinquent principal, any accrued interest, as well as collection costs. The debt may also be referred to both consumer and commercial credit bureaus, and may be referred to the U.S. Department of Justice for litigation.

You have the right to obtain a copy of the records for the listed delinquent debt. To obtain a copy of the records, send a written request to your local servicing office. Please provide your social security number or employer identification number and your complete mailing address with the request.

You have the right to a review of the validity of the delinquent debt amount. Any request for review must be made in writing to your local servicing office by (Insert Date). Please explain the reason for any challenge. Include any written evidence available to support your position. The information provided will be reviewed. You will be notified in writing of a determination.

Additional interest is accruing daily on this delinquent debt. The total due will continue to increase until the delinquency is paid or settled. Any discharged debt will be reported to the IRS on Form 1099-C, Cancellation of Debt. If a recent payment has been made on the delinquency, the payment may not be reflected in the total shown due.

If a joint Federal income tax return is filed, and your spouse is not responsible for this debt, please contact your local Internal Revenue Service office before filing your return to learn how to protect your spouse's share of the refund.

For further information, please call our toll free number, (800) 428-9643.

For further information, please call your local servicing office at  
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Sincerely,

Deputy Director, Finance